## Message Text

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**ACTION NEA-09** 

INFO OCT-01 ISO-00 SS-15 SP-02 L-02 EB-07 ABF-01 OMB-01

TRSE-00 NSC-05 CIAE-00 INR-07 NSAE-00 PRS-01 AID-05

H-02 AGR-05 IGA-01 /064 W

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P 081200Z MAY 75 ZFF1 FM AMEMBASSY COLOMBO TO SECSTATE WASHDC PRIORITY 2708

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EO 11652: GDS TAGS: PFOR, US, CE

SUBJ: FINANCE MINISTER'S CHARGES: EMBASSY PRESS

STATEMENT

REF: STATE 106790

1. I SAW ACTING PRIME MINISTER MAITHRIPALA
SENANAYEKE AT NOON MAY 8 TO DISUCSS EMBASSY'S
PROPOSED STATEMENT DENYING MISUE OF PL-480
RUPEES (REFTEL). HE AGAIN HAD WITH HIM THREE-MAN
SUPPORTING STAFF: MDFA SECRETARY JAYASINGHE,
PRIME MINISTERIS SECRETARY PIERIS, AND, THIS
TIME, MDFA DIRECTOR GENERAL BASNAYAKE. I SAID
DEPT HAD ENDORSED MY EARLIER
REPRESENTATIONS TO HIM, INCLUDING REQUEST FOR
GSL CORRECTIVE STATEMENT, AND NOTED THAT
AMBASSADOR KANAKARATNE WAS BEING CALLED IN TO
UNDERSCORE USG'S DISPLEASURE AT FINANCE
EKINISTER PERERA'S REMARKS.

2. I THEN SHOWED SENANAYEKE AND HIS COLLEAGUES DEPT'S PROPOSED STATEMENT, WITH WHICH THEY HAD NO PROBLEM, AND SAID WE WERE PLANNING TO RELEASE IT FOR FOLLOWING DAY'S PAPER. HE AGREED TO MY REQUEST THAT STATEMENT CONFIDENTIAL

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BE FORWARDED TO PRIME MINISTER.

3. ALTHOUGH AS USUAL CORDIAL AND SEEMINGLY
COOPERATIVE, SENANAYEKE NONETHELESS CONTINUED TO
DEMONSTRATE UNEASINESS IN DEALING WITH THIS
PROBLEM IN ABSENCE PRIME MINISTER, EXPLAINING
THAT HE WAS ONLY "IN LOCUS PARENTIS". I RECALLED
PERERA'S ORIGINAL CHARGES REMAINED ON RECORD,
AND HAD NOT BEEN REFUTED DURING PERERAJAYEWARDENE PARLIAMENTARY EXCHANGE. I HOPED WE
COULD GET SOME HELP FROM SENANAYEKE IN INSURING
THAT EMBASSY STATEMENT RECEIVED FAIR PLAY IN SRIL
LANKA MEDIA, INCLUDING RADIO. HE SAID HE WOULD SEE WHAT
HE COULD DO. JAYASINGHE TELEPHONED LATER TO
SAY THAT THEY HAD TALKED TO A.K. PREMADASA,
CHAIRMAN OF LAKE HOUSE GROUP WHICH CONTROLS
"DAILY NEWS".

4. COMMENT: EMBASSY'S PROPOSED TEXT WAS
DESIGNED TO ANSWER NUMBER OF QUESTIONS WE HAVE
RECEIVED RE SPECIFIC FACTS AND FIGURES RELATING
TO PERERA'S ALLEGATIONS AND NATURE OF OUR
RESPONSE. DEPT'S ABBREVIATED TEXT
IS WELL-DESIGNED TO SERVE PURPOSE OF SHORT,
EFFECTIVE, AND UNCONTENTIOUS REJOINDER AND WILL
HELP TO SET RECORD STRAIGHT IN GENERAL TERMS. WE SHOULD
RECOGNIZE THTAT, EVEN WITH OUR ENCOURAGEMENT,
IT IS UNLIKELY GSL WILL SATISFACTORILY REBUT
DETAILS OF PERERA'S MISREPRESENTATIONS. IN ANY
EVENT, WE SHALL CONTINUE TO DO SO OURSELVES
THROUGH EMBASSY'S CONTACTS WITH GSL OFFICIALS,
PRESS, AND PUBLIC.

5. REQUEST HAS BEEN MADE FOR APPOINTMENT WITH PRIME MINISTER SHORTLY AFTER SHE RETURNSHE VAN HOLLEN

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NNN

## Message Attributes

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**Current Classification: UNCLASSIFIED** 

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